

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2174 - HB 2294**

March 4, 2022

**SUMMARY OF BILL:** Requires each local education agency (LEA) and public charter school to require students in each of the grades six through eight (6-8) to complete a financial literacy course that is age and grade appropriate. Requires the Department of Education (DOE), in consultation with the Tennessee Financial Literacy Commission (TFLC), to provide each LEA and public charter school with a variety of age and grade appropriate resources that may be used to implement the financial literacy instruction.

**FISCAL IMPACT:**

**Increase Local Expenditures - \$21,445,600/FY22-23\***  
**\$15,667,600/FY23-24 and Subsequent Years\***

Assumptions:

- The proposed legislation will require LEAs and public charter schools serving students in grades 6-8 to acquire instructional materials and qualified teachers to provide a financial literacy course.
- There are currently no in-state providers that offer financial literacy training for teachers.
- DOE will need to coordinate with current training providers or identify new training providers that can offer financial literacy training for teachers in grades 6-8.
- There are 428 middle schools serving students in grades 6-8 across the state and it is unknown how many teachers have endorsements to teach financial literacy.
- It is assumed that each LEA will hire one additional teacher per every two middle schools (or one halftime teacher per school) to teach a financial literacy course. The average classroom salary for FY20-21 was \$52,871.
- There will be a recurring increase in local expenditures of \$15,667,582 [(\$52,781 salary + \$20,432 benefits) x .5 teacher position x 428 schools] in FY22-23 subsequent years.
- It is estimated that personal finance textbook curriculum costs \$150 (\$100 text book + \$50 additional digital products).
- Each middle school will be required to purchase a classroom set of curricula in financial literacy for each grade 6-8.
- The one-time increase in local expenditures is estimated to be \$5,778,000 (\$150 x 30 books x 3 grade levels x 428 schools) in FY22-23.
- The total increase in local expenditures is estimated to be \$21,445,582 in FY22-23 (\$15,667,582 + \$5,778,000) and \$15,667,582 in FY23-24 and subsequent years.

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- DOE will be able to obtain support and resources in in financial literacy from TFLC. According to the TFLC 2021 Annual Report, in 2020, "TFLC raised \$269,500 to go towards providing financial literacy training and resources to educators in every region of Tennessee at no cost to the teacher or district."
- TFLC launched a new middle school financial education initiative in 2021 to provide resources, materials, activities, and methods for embedding relevant and engaging financial education into their courses.
- DOE will be able to determine teacher requirements in financial literacy and develop course standards subject to the State Board of Education's (SBE's) approval within existing resources and during the normal course of business. Any impact to DOE and SBE is estimated to be not significant.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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